

ORIGINAL
OPEN MEETING



0000041317

MEMORANDUM

RECEIVED

410

TO: THE COMMISSION

2006 MAR 20 P 2:10

Arizona Corporation Commission

DOCKETED

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

MAR 20 2006

DATE: March 20, 2006

DOCKETED BY

[Signature]

RE: GILA BEND POWER PARTNERS APPLICATION FOR EXTENSION OF TIME TO CONSTRUCT 845 MW GENERATING PLANT ALONG WITH RELATED FACILITIES IN THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 5 WEST, GILA & SALT RIVER BASE & MERIDIAN AND 500kV TRANSMISSION LINE ALONG WITH THE WATERMELON SWITCHYARD ORIGINATING AT THE GENERATING STATION AND TERMINATING IN SECTION 22, TOWNSHIP 5 SOUTH, RANGE 4 WEST. (THE WATERMELON SWITCHYARD) A DISTANCE OF APPROXIMATELY 9 MILES (DOCKET NO. L-00000V-00-0106, CASE NO. 106 AND DOCKET NO. L-00000V-01-0109, CASE NO. 109)

On March 7, 2006, Gila Bend Power Partners, L.L.C. ("GBPP") filed a request for time extension to construct each of the above facilities. As of this date, no construction has commenced for any of the facilities.

Case No. 106 resulted in Decision No. 63552 which granted GBPP the Certificate of Environmental Compatibility ("CEC") to construct a natural gas fired, combined cycle generating plant consisting of three combustion gas turbines and one steam turbine producing a nominal 845 megawatts ("MW") along with related facilities. The CEC required that by April 12, 2006, the construction of the generating plant be "completed to the point that the plant is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the facility owner may request that the Commission extend this time limitation."

Case No. 109 resulted in Decision No. 63762 which granted GBPP the CEC to construct approximately 9 miles of 500 kilovolt ("kV") transmission line and related facilities that would connect the 845 MW generating station with the Watermelon Switchyard. The CEC required that by June 12, 2006, the construction of the facilities be "completed to the point that the 500 kV transmission line and 500 kV switchyard are capable of operating by that time; provided, however, that prior to such expiration the Applicant may request that the Commission extend this time limitation."

In its March 7, 2006 filing for extension of time, GBPP requested expedited treatment for Case No. 106, since the CEC would expire on April 12, 2006. In response to this request for expedited treatment, Staff would request that the two cases be consolidated and be granted a temporary time extension to December 31, 2006. This should allow Staff sufficient time to

THE COMMISSION

March 20, 2006

Page 2

properly review these two time extension requests and issue a Staff Report. It would also allow the Hearing Division time to conduct a hearing (if it is determined that a hearing is required) and the Commissioners time to review any proposed opinion and order. Staff would request that a Commission Decision or Procedural Order be issued that would grant the December 31, 2006 temporary time extensions, and allow Staff until at least July 28, 2006, to issue its Staff Report.

A handwritten signature in dark ink, appearing to read 'EGJ', followed by a long horizontal line extending to the right.

Ernest G. Johnson

Director

Utilities Division

EGJ:SMO:lhmc\CKK

ORIGINATOR: Steve Olea